

Status Report to
U.S. Army Corps of Engineers
Employees
on accomplishments
under the
President's Management Agenda
August 2004



**US Army Corps
of Engineers**

FOREWORD

We are pleased to provide to the employees of the U.S. Army Corps of Engineers a status report on implementation of the President's Management Agenda in the Corps of Engineers.

The President's Management Agenda, which was announced in 2001, includes six initiatives directed at improving the efficiency, effectiveness, and accountability of Federal programs. One initiative -- Budget and Performance Integration -- focuses on improving program performance by linking budget and performance management decisions. Three initiatives -- Strategic Management of Human Capital, Competitive Sourcing, and Expanded Electronic Government -- include management measures that enable agencies to carry on their activities better, faster, and cheaper. A fifth initiative -- Improved Financial Performance -- is designed to improve program accountability to customers and taxpayers. The sixth initiative focuses on real property asset management. The overarching objective for the initiatives is to clearly show results for the funding and effort invested in Federal programs.

If these goals and objectives sound familiar, it is because the U.S. Army Corps of Engineers and its employees pride themselves on their ability to achieve results. Though there is sometimes debate on particular projects or programs, there can be no doubt as to the value the Civil Works program and other Corps programs add to the Nation's security and to the prosperity and quality of life of its people.

To make the most productive use of public funds, to carry out quality public activities on a timely basis, at lower cost, and to be accountable to the public and taxpayers are all long-standing management objectives of the Army and the Corps. Consequently, we believe that we are building on a strong base as we carry out these Presidential initiatives.

We commend to you the enclosed report.

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INTRODUCTION

The President's Management Agenda is a group of management reforms and initiatives directed at improving the way the Federal Government does business. Six of the 16 President's Management Agenda initiatives apply to the U.S. Army Corps of Engineers. This status report provides an overview on the following:

- Competitive Sourcing
- Strategic Management of Human Capital
- Performance and Budget Integration
- Expanded Electronic Government
- Improved Financial Management
- Improved Real Property Asset Management

President Bush stated that "Improvements in the management of human capital, competitive sourcing, improved financial performance, and expanding electronic government will matter little if they are not linked to better results." The broad intent of the President's Management Agenda is to make government more citizen-centered, not bureaucracy-centered; more results-oriented; and more market-based, actively promoting rather than stifling innovation through competition.

The expected long-term results are that government organizations will:

- Replace hierarchical, command-and-control bureaucracies with flatter and more responsive structures;
- Focus on results rather than emphasize process;
- Improve the harmonious functioning of components rather than fostering overlaps, inefficiencies, and turf battles; and
- Strengthen and make the most of the knowledge, skills, and abilities of their people.

For civil-funded activities, we are separately responsible and accountable to the Administration for our program and budget through the Assistant Secretary of the Army for Civil Works, and the Civil Works program is treated as an "agency" for program and budget matters. Therefore, because we administer the Civil Works program, we are accountable for performance under the PMA.

Corps accountability under the Budget and Performance Integration initiative and the Improved Financial Performance initiative is limited to civil-funded activities, which can be separated from their military-funded counterparts. However, Corps accountability under the Strategic Management of Human Capital, Competitive Sourcing, and Expanded Electronic Government initiatives is Corps-wide, since the affected civil-funded activities cannot be separated from military-funded activities.

This report describes our accomplishments, with oversight from the Assistant Secretary of the Army for Civil Works, in carrying out the five government-wide initiatives.

COMPETITIVE SOURCING

The Starting Point

Competitive sourcing is a Corps-wide initiative.

Competitive sourcing involves subjecting a function or functions that are performed by the Federal government and that are commercial in nature to competition, in order to find the most cost-effective methods and sources. If a contractor is selected as the most efficient and effective at performing the function, the contractor is awarded a contract. If the government's "Most Efficient Organization" is proven to be more effective and efficient, the government continues to perform the function or functions using the Most Efficient Organization. Historically, based on Defense Department experience, savings usually range from ten to forty percent, irrespective of who performs the work.

Competitions throughout the Federal government are governed by OMB Circular A-76. Each agency lists the positions performing commercial functions in a database developed pursuant to the Federal Activities Inventory Reform (FAIR) Act. Inherently governmental functions are exempt from such competition.

At the time the President's Management Agenda was announced in 2001, we had not competed commercial functions for a number of years. The Administration's effort to make public-private competition a viable management tool, including steps to improve the A-76 process, has reemphasized our focus in competitive sourcing as a management tool.

Management Strategy

Our leadership believes that there are a number of opportunities to reduce costs and improve performance of our day-to-day commercial operations and is pursuing a three-part approach to ensure the successful application of competition to these activities.

The first part of our approach is to develop a corporate "enterprise-wide" view. A task force was established to review the commercial functions in the Corps. The task force examined: the extent to which positions are required for senior management or for mission-critical in-house activities; the extent to which each function is contracted out already or may be difficult to "package;" the need to maintain core competencies of the organization; and other factors.

The resulting plan considers competing approximately 7,500 positions over the next five years. (Human capital aspects of the enterprise-wide view are explained below under the Strategic Management of Human Capital initiative).

The second part of our approach was to establish a Corps-wide program management infrastructure for competitions. This was done to ensure that public-private competitions are conducted in a fair and transparent manner providing equal treatment and a level playing field to all parties.

The third component of the approach is to establish a cadre of trained and skilled competitive sourcing officials, advisors, and functional proponents with long-term assignments to competitive sourcing.

Management Improvements

The Commanding General or Deputy Commanding General has operational authority to carry out competitions.

A Strategic Sourcing Program Office, reporting to the Deputy Commanding General, provides central oversight for the implementation of competitions.

Headquarters staff from counsel, human resources, contracting, and public affairs serve as advisors to the program office.

A single "Agency Tender Official" submits the bids on behalf of the Most Efficient Organization on all competitions, to enhance continuity and consistency and to reduce the learning curve for subsequent competitions.

Functional Proponent Project Managers provide function-specific advice, coordinate with regional offices, and develop and maintain Project Management Plans for the competitions.

A Strategic Sourcing Project Manager, in each Major Subordinate Command, facilitates communication with field offices and workforce.

All commands received training in competitive sourcing.

Results

On June 2, 2004, our first competition under new Circular A-76 was announced for the Information Management/Information Technology function. This is an 18-month study, so the outcome will be known at the end of calendar year 2005 and any savings will begin to accrue thereafter. This competition covers approximately 1,400 government employees and 550 contractor positions.

Next Steps

A second competition will be announced toward the end of FY 2004.

The five-year schedule for competitive sourcing will be updated.

Preliminary planning will begin for the competitions scheduled for FY05 and FY06.

STRATEGIC MANAGEMENT OF HUMAN CAPITAL

The Starting Point

Strategic management of human capital is a Corps-wide initiative.

We know that people are our most important asset, and we recognize the value of developing, implementing, and integrating human capital strategies to help our people reach their potential.

Management Strategy

The strategy for human capital planning and management is to continue to integrate and strategically align our elements with other elements of Corps-wide strategic planning and management. The Corps Strategic Campaign Plan includes three People objectives: recruit and retain a world-class work force; develop leaders at all levels; and transform the Corps into a learning organization. The Campaign Plan emphasizes the interdependence and strategic alignment of human capital planning and management objectives with objectives for Process and Communications. These interdependencies are carried into the content and conduct of Corps decision-making, internal and external reporting, and evaluation processes.

Management Improvements

Each human capital initiative is sponsored by a steering committee and supported by a project management plan. These initiatives include working with stakeholders and other agencies, including the Office of Personnel Management, to share best practices and lessons learned. Our leadership is codifying the results of these initiatives in an integrated set of documents for doctrine, strategic plans, inspection plans and reports, program management plans, automated systems, and training, among other things.

Management improvements include the following:

We reorganized in accordance with the "USACE 2012" concept. USACE 2012 is an excellent example of how integrating People, Process, and Communications can transform an organization. The USACE 2012 concept is to operate as one Corps, to eliminate redundancies, to establish learning communities, and to focus Headquarters and Major Subordinate Command staff on accomplishing work in vertical teams that support regions, districts, and their customers. These changes are embodied in four concepts: One Corps; Communities of Practice; Regional Business Centers; and Regional Integration Teams.

We enhanced the Corps as a learning organization. Published the Corps Learning Organization Doctrine, <http://www.hq.usace.army.mil/cepa/learning/learning.htm>.

We developed Learning Principles to focus training on contributions to mission and cost-effectiveness. Developed and implemented a Leadership for Learning course. Increased the number of student trainees from 145 in 1989 to 521 in 2001, an increase of 261 percent. (1989 is the base year in the DoD Civilian Human Resources Strategic Plan, 2002-2008.)

We issued a Coaching, Counseling, and Mentoring Guide, <http://usace-ccm-guide.com>, which provides guidance for our supervisors and managers to more effectively counsel subordinates.

We improved leader development by piloting a comprehensive leader development program that is being transformed into a command-wide guide to focus on doctrinally based leader development content that is easily transportable from one location to another. We also instituted a program to train selection board members on the Leadership Strengths Interview and a program to identify individual strengths and provide strengths coaching throughout all levels of the organization.

We improved recruitment by: issuing an Affirmative Action Recruitment Plan; revamping the employment web site; developing a sophisticated 5-year civilian forecast; training a recruiting cadre; and streamlining the SES recruitment process.

Results

We have become more citizen-centered and have reduced layers within the organization. Since 1989, we reduced the number of supervisors by over 50 percent. Ninety-five percent of the workforce is in direct customer service field positions.

We have managed change. Since 1989, the entire Corps workforce has been reduced 24 percent and the blue-collar workforce has been reduced 33 percent. At the same time, the number of student trainees has increased 261 percent and the number of environmental specialists has increased from 44 in 1989 to 228 in 2001, a 418 percent increase. The number of environmental engineers has increased from 229 to 434 and the number of biologists has increased from 619 to 1,221.

The performance of our employees has become more strongly linked to Corps mission and strategic goals. Corps SES performance plan objectives are directly linked. These objectives cascade through the organization via two tools: the Mission Essential Task List, and the Automated Training Management Program, which is being deployed now. The latter program automates the linkage between mission requirements, performance objectives, and individual development plans and for the first time enables management to measure and prioritize training and development investments.

We were able to respond to surges in vacancies in Afghanistan and Iraq. Headquarters used a new web site (<http://www.hq.usace.army.mil/cehr/Deployment/main.htm>) to provide all employees with consistent information about danger pay, post differential, premium pay, leave,

Federal Employee's Group Life Insurance, and the differences between temporary duty assignments and temporary change of station assignments. Over 2000 Corps employees have voluntarily deployed -- some more than once.

We have improved planning capabilities through identification of planning Centers of Expertise and revitalization of the Planning Associates Program.

Next Steps

We continue to move "learning" (e.g. training content, lessons learned, best practices, and access to university partners and other experts) to a web-based resource serving Corps Communities of Practice.

We will improve use of surveys to measure degree of success in realizing human capital goals.

We will complete deployment of the Automated Training Management Program throughout the command.

We will focus on improving and verifying mission-related, measurable performance plans below the SES level.

And we will continue to actively recruit highly qualified people to serve in our Iraq and Afghanistan organizations in support of the Global War on Terrorism.

PERFORMANCE AND BUDGET INTEGRATION

The Starting Point

Our separate accountability for performance and budget integration is limited to the Civil Works mission. The information that follows pertains only to the Civil Works budget.

The Government Performance and Results Act of 1993 (GPRA) set the wheels in motion to transform government focus from managing activities and processes to managing for program results. GPRA requirements are incorporated into OMB's budget guidance to the agencies.

The Act has three requirements. Agencies must:

- Develop six-year strategic plans focusing on accomplishment as measured by achievement of intended mission-related results;
- Prepare annual performance plans focusing on accomplishing near-term program results; and
- Submit annual performance reports providing accountability for achieving program results.

We have nine results-oriented business programs for the Civil Works mission. The nine programs are:

- (1) Flood and Coastal Storm Damage Reduction;
- (2) Navigation;
- (3) Environment;
- (4) Regulatory;
- (5) Hydropower;
- (6) Recreation;
- (7) Water Supply;
- (8) Emergency Management; and
- (9) Support for Others.

Each program has unique outputs and outcomes. As an example, the intended program results for the Flood and Coastal Storm Damage Reduction program are reduced loss of life and property damage from flooding and storms.

Management Strategy

The Civil Works budget and performance integration initiative focuses on developing formal linkages between program performance planning and budget decision-making. To accomplish this, we are pursuing two actions: developing and continually refining clear results-oriented program objectives through the Civil Works

Strategic Planning process; and developing and measuring accomplishment of program performance targets as part of budget development.

Management Improvements

In March 2004, the Assistant Secretary of the Army for Civil Works and the Chief of Engineers issued the Civil Works Strategic Plan. The plan provides a framework for program and project development to answer national water resource needs. It lays out goals and objectives for each business program that are linked to business program-specific outputs and outcomes.

The Assistant Secretary and the Chief have directed that the Civil Works program build its budget in increments from the ground up, based on measurable results. The strategic plan provides the framework for this. For this concept to work, each business program must have a set of quantifiable performance measures that reflect program missions, outputs, and outcomes, and the ability to quantify baseline performance and to establish annual or long-term targets for each measure. These targets would vary depending on budget decisions.

The development of measures has taken place concurrently in two venues. First, the Office of Management and Budget is collaborating with each agency on a "Program Assessment Rating Tool," or PART, for each of its programs. The tool uses a disciplined set of questions to evaluate program purpose and design, strategic planning, program management, and program results and accountability. In addition, the tool defines measures and quantifies goals and targets. All programs will be covered by fiscal year 2007.

The second venue is the budget development process itself. The FY 2005 budget made significant progress in allocating funding based on performance. For instance, the FY2005 budget: 1) funded pre-construction engineering and design work for flood damage reduction and navigation projects with the highest benefit cost ratios; 2) provided maximum funding for construction projects nearing completion and for dam safety assurance and seepage correction; and 3) emphasized operating navigation projects with high commercial cargo use or that provided significant commercial or subsistence fishing or public transportation benefits.

The FY 2006 budget will be the first budget developed from the outset based on business program-specific performance measures. In May 2004, the Engineer Circular for the FY 2006 budget was released in draft. This EC provides an explicit process for building the budget for each business program in increments, with the results of funding each increment being explicit and the increments being ranked based on performance criteria.

Results

Performance-based budgeting improves the quality of budget decisions and enables our organization to perform its Civil Works mission better with the funds available. Although the results at this date are difficult to quantify, we can confidently say that performance-based budgeting will deliver more bang for the buck in the years to come. This is especially important when funding is constrained and difficult choices must be made. Examples might include:

- Reduced flood risks
- Improved navigation efficiency
- Better protection and restoration of important ecological resources
- Improved reliability in hydropower, navigation, and other systems
- Delivery of recreation services in the most beneficial time, place, and manner
- Improved response to natural disasters

Next Steps

FY 2006 budget development is under way using the performance based budgeting method. Army budget recommendations will be submitted to OMB in September, and the President's budget will be released in February 2005.

EXPANDED ELECTRONIC GOVERNMENT

The Starting Point

Expanded electronic government is a Corps-wide initiative. The Clinger-Cohen Act of 1996 legislated the requirement for all Federal agencies to establish Chief Information Officer (CIO) positions. The establishment of our first executive CIO position in 1999 served as the impetus for the agency to begin managing information technology (IT) investments using an enterprise-wide approach. Both DoD and commercial organizations have conducted many best practice studies on how best to manage information. These studies have shown increased efficiencies in service and cost savings by managing IT at the enterprise level.

The Corps CIO has implemented many initiatives that promote and leverage IT management at the enterprise level and continues to seek ways to optimize IT-related expenses while increasing capability in the Corps-wide area network and processing center operations. The establishment and use of enterprise-level IT contract vehicles has provided us the flexibility to quickly and cost effectively modernize or modify IT infrastructure and applications to meet the diverse spectrum of projects and operations of the our Civil Works, Military, and Support for Others missions on a global scale.

We continue to aggressively pursue migrating and integrating our public service applications into a web-based environment, making the public's search for services and information much easier.

While we are making progress in managing information at the enterprise level, we still have work to do. Some of the management challenges include:

- Adding fidelity into the total Corps IT investment portfolio to effectively prioritize and fund IT projects;
- Streamlining and standardizing business practices related to software development and deployment;
- Establishing a viable information architecture foundation to correct situations where IT investments cannot operate together or readily exchange data; and securing that infrastructure; and
- Encouraging business modernization efforts to take full advantage of today's web based environment for efficiencies in delivery of Corps products and services to citizens, customers, and stakeholders.

We are currently conducting a competitive study of the Information Management/Information Technology function under OMB Circular A76 (see above discussion of competitive sourcing). We will leverage this study to address many of these challenges.

Management Strategy

An agency-level Information Resources Management Strategy Plan was developed to provide the business rules for: managing IT and outline enterprise-level strategic directions for IT infrastructure; technology insertion; information assurance; IT investment portfolio management; and E-Government. The guidance is updated annually to reflect adjustments in command strategic and tactical goals as well as industry best practices.

The USACE 2012 plan directs our organization to migrate from a highly decentralized Information Technology/Information Management (IT/IM) service model to a regional-enterprise model. Oversight and management of many "basic" IT/IM services will be done at the regional and enterprise level, providing services to the individual District offices. The ongoing competition study under OMB Circular A-76 provides opportunities to look at technical projects and services in this context. We are confident that adopting this approach will greatly aid the Corps in standardizing its IT infrastructure and office automation baseline at all organizational levels and achieve reductions in project overhead costs.

Management Improvements/Results

We are using a combination of capital planning processes, architectural standards and governance, enterprise network services, information assurance practices, and migration to web-based applications and services, to provide a world-class information infrastructure to our users and customers.

The Capital Planning, Investment and Control process is being used to ensure selection and governance of IT investments balances priorities across the Corps, funding only those applications and systems that are required while moving the Corps towards the goals of 2012. This allows us to realign dollars to the most mission critical investments

The Corps Enterprise Architecture and governance structure is a blueprint used Corps-wide by IT Planners, Program and Project Managers, Developers, and Operations Managers to assure that IT investments don't duplicate existing business functionality and meet technical standards for compatibility and interoperability as they are placed within the our common operating environment.

To keep our data and systems secure from misuse, the DoD Information Technology Security Certification and Accreditation Process process is rigorously followed. Information Assurance is also achieved by aggressively managing and implementing Information Assurance Vulnerability Alerts.

The end result of the our management of information assurance policies and practices is the availability and reliability of the Corps network and computer processing services, as well as the integrity and security of information crossing that network. This

allows greater surety in supporting the public, Corps customers, stakeholders, and internal team members in their daily conduct of business.

We are also evolving our current web presence and automated systems into a web-centric environment that allows our employees and customers to operate and to access information from anywhere, at any time. We have demonstrated this evolution in the Recreation mission area where we have partnered with the Department of the Interior and migrated its information delivery into a "one-stop" service. This has allowed the public to go to a single site to find recreation information, sites, and ticketing. We have completed a pilot enterprise portal that will allow decentralized content management down to the district levels while standardizing the Corps look and feel across the entire enterprise.

Next Steps

Key goals in continuing Corps implementation of the President's Management Agenda for E-Government include:

- Increasing the portfolio and business case visibility of planned IT investments, particularly in the scientific and engineering domain, within the next fiscal year;
- Instituting agency-wide use of Common Access Cards, (2nd Qtr FY05) Public Key Encryption, (2nd Qtr FY05), and Single Sign-On (4th Qtr FY05) as key mechanisms to securing 100 percent of the Corps' IT system;
- Developing a cadre of qualified IT Project Management professionals and assigning them to key corporate IT modernization initiatives to ensure that projects are within 10 percent of cost/schedule/performance objectives (training starts in 1st Qtr FY05). This cadre will work in partnership with the business area sponsoring the IT initiative;
- Developing a strategic communications plan for increased use of the Corps Enterprise Architecture (CeA) and continued population of all CeA views (FY05);
- Increasing internal effectiveness and efficiency by creating a Knowledge Management Environment with an enterprise suite of teaming, collaboration, and repository tools and capabilities to support the USACE 2012 virtual teaming, Community of Practice and project delivery philosophies (1st Qtr FY05);
- Consolidating and streamlining web-based information services and product delivery, including implementing enterprise portal capabilities (continuous);
- Continuing to seek opportunities for interagency cooperation on major IT initiatives; and
- Successfully completing a competitive sourcing study of the IT/IM functional area (1st Qtr FY06) to enable significant service delivery and cost efficiencies for our infrastructure and office automation services from an enterprise perspective.

IMPROVED FINANCIAL MANAGEMENT

The Starting Point

Our separate accountability for improved financial performance is limited to the Civil Works mission. The discussion that follows focuses on Civil Works accounts, although Civil Works shares financial management systems with military-funded programs.

At the inception of the President's Management Agenda, we had just completed deployment of the Corps of Engineers Financial Management System (CEFMS) and consolidation of all finance and accounting operations to the USACE Finance Center in Millington, Tennessee. These two important initiatives are the cornerstones of our ability to provide timely and reliable financial management information at reduced costs to the taxpayer.

We also changed audit agencies after FY 2001 based on a new GAO standard on independence. In FY 2002, the Inspector General, Department of Defense (DODIG) took over audit responsibilities from the US Army Audit Agency (USAAA), which had been the Corps auditor for 10 years.

DODIG identified the following major audit problems: supporting documentation for older Civil Works assets; supporting documentation for Construction in Progress on Civil Works projects; and computer security issues.

Management Strategy

Our strategy is to provide the leadership and our stakeholders with real-time, reliable financial information. In addition, we continue to pursue a favorable audit opinion on Civil Works financial statements. In pursuit of the latter goal, the Corps has been the most heavily audited agency within the Department of Defense over the last four years.

Management Improvements / Results

CEFMS: Through CEFMS, we have made great strides to ensure that our leadership and stakeholders have the timely and reliable financial information they require to make critical business decisions. CEFMS is a single entry system that updates automatically, giving us financial information instantly.

In addition, CEFMS has electronic signature, which provides the organization with a completely paperless environment that has reduced travel reimbursement to two days and decreased prompt payment interest. Since CEFMS is single entry system, it enables us to prepare financial statements without data calls, as all the information

require to compile Corps financial statements comes directly from CEFMS. This has enabled us to meet all of the Office of Management and Budget's new accelerated reporting requirements. For example, we compiled midyear statements in two days less than the OMB mandate.

Audit issues: The Corps and DODIG have worked over the past three years to agree on what supporting documentation is satisfactory for older assets. In May 2004, DODIG and the Corps finalized a memorandum of agreement, which provides us the ability to comply with the audit requirements for supporting our older assets. This is a significant agreement for us, and also for the rest of DOD, as this agreement will serve as a model for the rest of DOD to meet this audit requirement.

Next Steps

CEFMS remains the premier financial management system in DOD. Our financial managers remain committed to ensuring that Corps leadership and our stakeholders have timely and reliable information in order to make informed business decisions.

We are currently working on corrective actions identified in a recently released DODIG system security report. Once corrective actions are completed and funding is secured, then a Federal Information System Controls Audit Manual (FISCAM) audit can take place.

In addition, USAAA is currently performing a validation of the other four Non-Balance Sheet statements. We anticipate that these statements will be ready for audit by DODIG in FY 2006. We are also working with DODIG to assign audit responsibility to independent public auditors. The actions will improve our accountability for assets and use of funds.

IMPROVED REAL PROPERTY ASSET MANAGEMENT

The Starting Point

The Federal government owns hundreds of billions of dollars of real property assets, and owns or manages one in every four acres of land in the United States. The real property asset management initiative, established by the President in Executive Order 13327, is designed to address the following issues:

- Promote efficient and economical use of America's real property assets
- Assure management accountability for implementing Federal real property management reforms.
- Ensure that agencies recognize the importance of real property resources through increased management attention, the establishment of clear goals and objectives, improved policies and levels of accountability.
- Establish the position of a Senior Real Property Officer at all major executive agencies.
- Require Senior Real Property Officers to develop and implement agency asset management plans.
- Create an interagency Federal Real Property Council (FRPC).
- Require development of single and descriptive database of Federal real properties.

We are participating in this initiative because the Corps of Engineers controls 11.7 million acres of land and waters at Civil Works projects throughout the country. These water resource development projects include flood control, hydropower, navigation, water supply, and recreation. Facilities include locks, dams, harbors, channels, hydropower plants, and recreation parks.

We currently have an inventory – Real Estate Management Information System (REMIS) – that is a real time system containing hundred's of data elements covering the entire life cycle and title information on the land and associated facilities. REMIS is the basis for the General Service Administration's "Annual Report of Real Property Owned By or Leased To the United States."

The Civil Works Strategic Plan will be used as the basis to develop an Asset Management Plan (AMP) in accordance with E.O. 13327. It will be structured according to forthcoming guidelines from the Federal Regional Property Council.

Management Strategy.

Our strategy will be to provide the agency and our stakeholders with real-time, reliable real property information. The Federal Real Property Council is developing new guidance and we will develop strategy as the guidance is received.

Management Improvements / Results

The physical and functional conditions of facilities at our projects and the extent of deferred maintenance are of special concern. We developed a Facilities and Equipment Maintenance (FEM) program to capture facility condition and are collaborating in conducting benchmarking studies with other landholding agencies conducting similar studies on their facility systems.

Civil Works projects have gone through several rounds of utilization surveys under previous Executive Orders to assure the project lands were being used wisely. Therefore, the focus over the next several quarters will be to implement the FRPC standards once they are developed and adopted. A key consideration in the implementation of those new standards will be that they be integrated with the Civil Works Strategic Plan such that implementation activities contribute to achieving strategic Civil Works mission goals and objectives.

Next Steps

- Inventory. USACE and the GSA, using a GSA contractor, are developing a "USACE Business Case for Real Estate Automated Information Systems Modernization" by January 2006. The contractor is performing a strategic functional requirements study and system performance gap analysis. The study and analysis will validate current and future real estate systems information and technology needs. The contractor will also provide USACE with a business case that supports current modernization initiatives and that is consistent with E-government policy.
- Review FRPC standards when published. We will establish a dedicated office/staff to integrate the standards into supporting the Civil Works Strategic Plan and management of the civil real property portfolio.
- The project management P2 system will require task/work item system integration with the real property inventory and historical title evidence files system. The interfaces between P2 and the real estate systems (REMIS and others) are being designed currently. Testing and deployment are scheduled for completion by April 2005.
- The Corps of Engineers Real Property inventory has been audited over the last several years as part of the annual audit of the Civil Works financial statements. These audits are conducted to ensure the Corps real property assets meet audit and accounting standards for proper valuation, accountability and capitalization guidelines. During the FY 2002 and FY 2003 Department of Defense Inspector General audit, deficiencies were identified and corrective actions are underway to position us for a FY2005 audit.

In addition, the President proposes “freedom to manage” legislation to enable agencies to: outlease or sublease underutilized properties; sell or exchange unneeded property and use the proceeds for replacement services; enter into public-private partnerships to construct or renovate need facilities under certain circumstances; and retain the sale proceeds of surplus properties. As currently written, this legislation would supplement our current authorities, such as recreational leasing, which has enabled public and private lessees to provide recreation facilities since 1944, and management of natural resources such as timber, vegetation, fish and wildlife. We will be closely monitoring the legislative deliberations on the proposed legislation and implications for our real property holdings.

CONCLUSION

We are committed to ensuring we support and fully implement the management reforms and initiatives outlined in the President's Management Agenda. Our success in implementing these initiatives will contribute significantly to mission accomplishment, support to the Federal Government and service to the American public.

For more information, please see the following sources:

Competitive Sourcing

Point of Contact: Ray Navidi, P.E., CESS, 202-761-1048

Web Site: <http://www.hq.usace.army.mil/cepa/compsource/compsource.htm>

Strategic Management of Human Capital

Point of Contact: Patricia McNabb, CEHR-D, 202-761-8998

Web Site:

Integration of Performance and Budget

Point of Contact: Tim Hiltz, CECW-IN, 761-4231

Web Site: N/A

Expanded Electronic Government

Point of Contact: Jean Gilleo, CECI-E, 202-761-7120

Web Site: N/A

Improved Financial Management

Point of Contact: Michael E. Walsh, C.P.A., CERM-F, 202-761-1858.

Web Site: <http://www.usace.army.mil/inet/functions/rm/>.

Improved Management of Real Property

Point of Contact: Linda Garvin, CEMP-SPD, 202-761-0579

Web Site: N/A